

106TH CONGRESS
2^D SESSION

H. R. _____

IN THE HOUSE OF REPRESENTATIVES

Mr. ARCHER introduced the following bill; which was referred to the
Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to reduce
the marriage penalty by providing for adjustments to
the standard deduction, 15-percent rate bracket, and
earned income credit.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE, ETC.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Marriage Tax Penalty Relief Act of 2000”.

6 (b) SECTION 15 NOT TO APPLY.—No amendment
7 made by this Act shall be treated as a change in a rate

1 of tax for purposes of section 15 of the Internal Revenue
2 Code of 1986.

3 **SEC. 2. ELIMINATION OF MARRIAGE PENALTY IN STAND-**
4 **ARD DEDUCTION.**

5 (a) IN GENERAL.—Paragraph (2) of section 63(c) of
6 the Internal Revenue Code of 1986 (relating to standard
7 deduction) is amended—

8 (1) by striking “\$5,000” in subparagraph (A)
9 and inserting “200 percent of the dollar amount in
10 effect under subparagraph (C) for the taxable year”,

11 (2) by adding “or” at the end of subparagraph
12 (B),

13 (3) by striking “in the case of” and all that fol-
14 lows in subparagraph (C) and inserting “in any
15 other case.”, and

16 (4) by striking subparagraph (D).

17 (b) TECHNICAL AMENDMENTS.—

18 (1) Subparagraph (B) of section 1(f)(6) of such
19 Code is amended by striking “(other than with” and
20 all that follows through “shall be applied” and in-
21 serting “(other than with respect to sections
22 63(c)(4) and 151(d)(4)(A)) shall be applied”.

23 (2) Paragraph (4) of section 63(c) of such Code
24 is amended by adding at the end the following flush
25 sentence:

1 “The preceding sentence shall not apply to the
2 amount referred to in paragraph (2)(A).”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 2000.

6 **SEC. 3. PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT**
7 **BRACKET.**

8 (a) IN GENERAL.—Subsection (f) of section 1 of the
9 Internal Revenue Code of 1986 (relating to adjustments
10 in tax tables so that inflation will not result in tax in-
11 creases) is amended by adding at the end the following
12 new paragraph:

13 “(8) PHASEOUT OF MARRIAGE PENALTY IN 15-
14 PERCENT BRACKET.—

15 “(A) IN GENERAL.—With respect to tax-
16 able years beginning after December 31, 2002,
17 in prescribing the tables under paragraph (1)—

18 “(i) the maximum taxable income in
19 the lowest rate bracket in the table con-
20 tained in subsection (a) (and the minimum
21 taxable income in the next higher taxable
22 income bracket in such table) shall be the
23 applicable percentage of the maximum tax-
24 able income in the lowest rate bracket in
25 the table contained in subsection (c) (after

1 any other adjustment under this sub-
 2 section), and

3 “(ii) the comparable taxable income
 4 amounts in the table contained in sub-
 5 section (d) shall be $\frac{1}{2}$ of the amounts de-
 6 termined under clause (i).

7 “(B) APPLICABLE PERCENTAGE.—For
 8 purposes of subparagraph (A), the applicable
 9 percentage shall be determined in accordance
 10 with the following table:

“For taxable years beginning in calendar year—	The applicable percentage is—
2003	170.3
2004	175.2
2005	183.5
2006	189.0
2007	194.4
2008 and thereafter	200.0.

11 “(C) ROUNDING.—If any amount deter-
 12 mined under subparagraph (A) is not a multiple
 13 of \$50, such amount shall be rounded to the
 14 next lowest multiple of \$50.”.

15 (b) TECHNICAL AMENDMENTS.—

16 (1) Subparagraph (A) of section 1(f)(2) of such
 17 Code is amended by inserting “except as provided in
 18 paragraph (8),” before “by increasing”.

19 (2) The heading for subsection (f) of section 1
 20 of such Code is amended by inserting “PHASEOUT

1 OF MARRIAGE PENALTY IN 15-PERCENT BRACKET;”
2 before “ADJUSTMENTS”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 2002.

6 **SEC. 4. MARRIAGE PENALTY RELIEF FOR EARNED INCOME**
7 **CREDIT.**

8 (a) IN GENERAL.—Paragraph (2) of section 32(b) of
9 the Internal Revenue Code of 1986 (relating to percent-
10 ages and amounts) is amended—

11 (1) by striking “AMOUNTS.—The earned” and
12 inserting “AMOUNTS.—

13 “(A) IN GENERAL.—Subject to subpara-
14 graph (B), the earned”, and

15 (2) by adding at the end the following new sub-
16 paragraph:

17 “(B) JOINT RETURNS.—In the case of a
18 joint return, the phaseout amount determined
19 under subparagraph (A) shall be increased by
20 \$2,000.”.

21 (b) INFLATION ADJUSTMENT.—Paragraph (1)(B) of
22 section 32(j) of such Code (relating to inflation adjust-
23 ments) is amended to read as follows:

24 “(B) the cost-of-living adjustment deter-
25 mined under section 1(f)(3) for the calendar

1 year in which the taxable year begins,
2 determined—

3 “(i) in the case of amounts in sub-
4 sections (b)(1)(A) and (i)(1), by sub-
5 stituting ‘calendar year 1995’ for ‘calendar
6 year 1992’ in subparagraph (B) thereof,
7 and

8 “(ii) in the case of the \$2,000 amount
9 in subsection (b)(1)(B), by substituting
10 ‘calendar year 2000’ for ‘calendar year
11 1992’ in subparagraph (B) of such section
12 1.”.

13 (c) ROUNDING.—Section 32(j)(2)(A) of such Code
14 (relating to rounding) is amended by striking “subsection
15 (b)(2)” and inserting “subsection (b)(2)(A) (after being
16 increased under subparagraph (B) thereof)”.

17 (d) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to taxable years beginning after
19 December 31, 2000.